NEWFOUNDLAND AND LABRADOR

ROYAL COMMISSION ON RENEWING AND STRENGTHENING
OUR PLACE IN CANADA

What We Heard

Under the Waves

Something is happening?
It doesn't look good.
I'm scared.
Did I become separated from the rest of my school?

The waters are so desolate these days.
My parents are gone and my friends are disappearing.
I am one of the very few left in my school.
Other schools seem to be getting smaller and smaller, but why?

I hear others complaining of the loneliness.
It's hard to keep up your spirits when so many of your friends are vanishing.
I keep trying to reassure the others that things will improve.
However, they aren't as optimistic as I am. But doesn't someone have to stay positive?

My hope is that one day, in the not too distant future, we will flourish again.
I am confident that when that occurs the loneliness will fade away.

- Anne Gregory
15 years old
St. Phillips, NL

Submitted to the Royal Commission
on October 3, 2002

Newfoundland and Labrador
Royal Commission on
Renewing and Strengthening
Our Place in Canada

WHAT WE HEARD

February 2003

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"What We Heard"

One of Many Building Blocks

On June 3, 2002, the Royal Commission on Renewing and Strengthening Our Place in Canada began its task of reflecting on and examining our place in Canada. After fifty-four years in Confederation, Newfoundland and Labrador has enjoyed an exciting five decades of social and economic progress and cultural achievement. It is our task as a Commission to assess where we have come from, how we got here and what needs to be done to achieve a more prosperous future. If we are to succeed, it will be because we have inspired a new way of thinking about our province and a new way of doing things.

Our work to date has consisted of five concurrent processes: (i) public consultations throughout the province (public meetings, visits to schools, meetings with women's groups, meetings with aboriginal groups and visits to businesses), (ii) an invitation for formal written submissions (over 220 have been received), (iii) a series of roundtables on focused issues (e.g. expectations on entering Confederation, the state of the fishery), (iv) meetings with federal and provincial ministers, deputy ministers and senior officials, and (v) a formal research program consisting of thirty research papers.

This document, entitled **"What We Heard"**, gives an overview of the first process, the public consultations conducted from September 30, 2002 to January 27, 2003. During this time, we visited communities throughout the province and held twenty-five public meetings attended by over 1400 people. Twenty-three meetings were held in locations from Harbour Breton to Labrador City, from Bonavista to Nain and from Trepassey to Port au Choix. One of the public meetings was held at the St. John's campus of Memorial University and another at the Prince Philip Drive campus of the College of the North Atlantic. We met with over 560 students representing fifty-five schools and held a further eighteen sessions either in person or by teleconference with women's groups attended by over 170 women. We met with representatives of each of the aboriginal groups on the Island and in Labrador. We visited twenty-five business enterprises representing entrepreneurial success stories throughout our province.

The goal of the public consultation process was to encourage and provoke open discussion on all of the issues related to renewing and strengthening our place in Canada. The process was indeed a success if success can be measured by the richness of the thoughts, ideas and passions which were openly and honestly shared with the Commission by so many people in Labrador and

on the Island. We are extremely grateful to all of the individuals who participated in our public meetings, our school visits, our women's sessions, our meetings with aboriginal groups and our business discussions. Their input has been invaluable to the on-going work of the Royal Commission.

The process of consulting with the people and our assessment of "what we heard" contained in this document constitute crucial elements in our process. This document, however, is not an interim report. It is simply a reflection of what we have been told during our consultation process. It constitutes **one of many building blocks** leading towards our final report. The Commission has not yet reached any conclusions or adopted any recommendations. These steps can only be taken after we have had an opportunity to review all of the written submissions, complete our roundtable discussions and analyze the contents of our research papers.

This *What We Heard* document also fulfills a commitment made by the Commission at each public meeting that we intended to give timely feedback to the public about what we were told in our consultation process. We would encourage anyone who feels that we have missed important issues or misinterpreted others to get in touch with the Commission by letter, fax or e-mail expressing their point of view.

"Something Wrong With This Picture"

Public Meetings Perspectives

At our public meetings, the Commission adopted a process whereby the participants at each meeting were asked to set the agenda. The topics which emerged as the most important, in no particular order, were:

- Health care
- Education
- Transportation
- Custodial Management in the Fishery
- Culture of Out-migration
- Equalization / Atlantic Accord
- Rural Newfoundland and Labrador
- Overall State of the Fishery

- New Employment Opportunities
- More Influence in Ottawa
- Churchill River Benefits
- Marine Atlantic Gulf Ferry Service
- Labrador's Contribution to Newfoundland
- Newfoundland and Labrador's Contribution to Canada
- Urban/Rural Divide

From what we heard, it was clear that, after fifty-four years in Confederation, it is timely to conduct a critical assessment of where we stand relative to the rest of Canada. When the Dominion of Newfoundland joined Canada in 1949, by way of a popular referendum, it brought into Canada the vast richness of its people and its natural resources. In our public meetings, much was made of these significant contributions to Canada. With a population of less than 350,000 people at the time, Newfoundland and Labrador contributed to Canada one of the world's most prolific and lucrative fishing resources along its coastline and on the Grand Banks. It brought into Canada the powerful hydro-electric resources of the Churchill River in Labrador, the massive iron ore deposits in Labrador, and the forestry resources on the Island and in Labrador. It brought to Canada its air space, its strategic location, its trade, and its distinct cultures, both aboriginal and non-aboriginal. In more recent years, it has brought to Canada a two hundred mile limit and all that it entails, not only for the fishery but also for the emerging offshore oil and gas industry. There has been the recent discovery of the largest nickel deposit in the world at Voisey's Bay. From what we heard, people are proud of what Newfoundland and Labrador has brought to Confederation.

There was much discussion related to the disconnect between the resources the province brought into Confederation in 1949 and its relative position in Canada today. While Newfoundland and Labrador has led the rest of the country in GDP growth in three of the past five years, there was a sense that it falls far short in many other areas. For instance, it leads the nation in the rate of unemployment which today stands in the order of 18% for the province overall with 9.3% in the St. John's area and over 22% in many rural areas. In other words, in terms of employment, Newfoundland and Labrador is tenth on the Canadian ladder. In terms of per capita income, birth rate and fiscal strength, Newfoundland and Labrador is at or close to the bottom of the Canadian ladder, while in terms of per capita debt, rate of out-migration and tax burden, it ranks among the highest of the provinces. In our public discussions, there was a strong consensus that **"there is something wrong with this picture!"**

The awareness that there is something wrong led people at each of our meetings to focus on who must right the wrong. Participants held an expectation that federal and provincial

governments have significant responsibilities in this regard. What the Commission was also told, however, was that the time had come for Newfoundlanders and Labradorians to "do it ourselves", to determine what they want the future of their province to look like and to take the necessary steps to shape that future. Participants said that "doing it ourselves" means holding all levels of government accountable for their responsibilities, getting a better understanding of the challenges faced by rural communities, and working together with all who have a vested interest in the future of this province. As one post-secondary student told us, **"We must take charge of our own future. No one else will."**

At our public meetings, we proposed to each participant, "As you think about renewing and strengthening our place in Canada, write a news headline which you would like to see in the year 2012." The completed headlines envisioned a prosperous province with full employment, little out-migration, an increasing population, a restored fishing industry and the treatment of Newfoundland and Labrador as a full and equal partner in Canada. A few headlines foresaw Newfoundland and Labrador separated from Canada or Labrador designated as a fourth northern territory.

The public meetings helped us understand the challenges the people of our province face and the hopes they have for the future. The meetings with women, youth, entrepreneurs and aboriginal representatives deepened that understanding, enabling us to link the social, economic and environmental dimensions of the task we have undertaken.

"Peace and Economic Justice"

Perspectives of Women

In the initial public sessions of the Royal Commission, it was evident that our meetings were dominated in numbers by men. Even where there were significant numbers of women, they did not fully participate in the discussion. While in many of our latter meetings this situation corrected itself, the Royal Commission felt uncomfortable with the unfolding situation. We decided, therefore, that in each community we visited we would ask for a separate meeting with women. Our objective was to ensure that we would get a greater understanding of women's perspectives on renewing and strengthening our place in Canada.

These meetings proved to be a fruitful approach and an enriching experience. At our public meetings, people seemed reluctant to discuss in any great detail some of the major social

issues facing our province and country even though education and health were two of the most important issues placed on the agenda by meeting participants. The meetings with groups of women helped to fill this void as women addressed openly and frankly the day-to-day realities faced by people, families and communities in this province.

In these meetings, women spoke about the inadequate supports in our province for persons with physical or mental disabilities. They discussed the prevalence of adult illiteracy, high unemployment, poverty, physical and sexual abuse and their impact on persons and families. We heard about the inadequacies of the justice system for women who face issues related to family violence and child support. We were told about the continuing failure of governments to provide daycare centres and early childhood development opportunities. In one session we were reminded that there is often talk about improving and expanding food banks and building more women's shelters. The point is often missed that shelters and food banks are a sign of society's failure and the elimination of the need for such supports is the real objective.

In particular, we were given deeper insights on our culture of out-migration and its impact on the family and community. In our public meetings, participants discussed out-migration largely as an economic issue while in our meetings with women they discussed it from the point of view of its social impact. Out-migration, whether it refers to young people leaving or families moving away or spouses leaving temporarily for work, too often results in dysfunction in the family and in the community. These topics are dealt with more fully in our section on out-migration, but some comments from the women's meetings reflected the challenges in sustaining family and community life as out-migration continues.

One woman told us, "It breaks your heart to see your children leave, but it breaks your heart even more to see them stay in an environment where they have no opportunity." While there is a tendency to view Voisey's Bay as a great employment generator, women in Labrador reminded us about family tension created when the husband is absent for significant periods of time. In Port au Choix we heard that there was no longer enough men in the community between the ages of 18 and 35 to allow the continuation of the men's hockey league. In other areas, we heard of the recent discontinuance of teenage dances because there are too few teenagers. In many other areas, concern was expressed about the difficulty of maintaining a strong corps of volunteers.

Our meetings with women's groups allowed us a far greater appreciation of the reality that women's perspectives are essential if we are to fully understand our place in Canada. Through concrete expressions such as the month-long Minei-nipi walk led by Innu women, we learned about women's concerns for the health of our environment and the need always to consider the

potential negative impacts of any development on our lands or waters. Participants at the meetings helped us see the links between the social and economic dimensions of the matters we are exploring. One woman stated, **"There can be no peace in a country or a province or a community where there is no economic justice."** Women told us that to view Voisey's Bay as a generator of employment without understanding the potential negative social impacts, to consider the development of the Lower Churchill without reviewing the negative impact on the environment, to understand the economic effects of out-migration without appreciating its negative impact on family and community life, or to assess the statistical dimensions of unemployment without recognizing the differing impacts on women and men would result in an incomplete foundation for our final report and recommendations.

Women reminded us that, despite the federal Royal Commission on the Status of Women thirty years ago, their voices are still not being heard. They told us that, even though there have been advances in many areas, women in Newfoundland and Labrador and in Canada have still not achieved equality with men. We also heard that women are not considered when public policy is being developed. It needs to be said, therefore, as our Commission moves towards its final report, that we will do whatever is possible to ensure that the voices and diverse experiences of both women and men of Newfoundland and Labrador are reflected in our recommendations on renewing and strengthening our place in Canada.

"We Have No Choice But To Leave"

Perspectives of Youth

Wherever the Commission visited, meetings with students in elementary, junior high and high schools were an essential step in our understanding the perspectives related to our place in Canada. It was particularly important for us to meet with the younger generation to get their views on the future of our province. On the Island, the overwhelming majority of young students proudly considered themselves Newfoundlanders first and Canadians second. In Labrador, a similar overwhelming majority considered themselves Labradorians first, Newfoundlanders second and Canadians third.

In Point Leamington, elementary school children reminded the Royal Commission that a large number of their fathers had left the community to work in other provinces such as New Brunswick, Ontario and Alberta. They told us the Commission could only succeed in their eyes if we could find a way to have them employed at home. In New Wes Valley, when discussing the

many ways in which the Royal Commission could pictorially reflect what was happening in our province, one young student suggested the picture of a U-Haul because it was such a prevalent sight in her own community.

In terms of cultural identity, whether it was urban or rural, the predominant message to the Royal Commission from youth was the crucial importance of their sense of place and their attachment to Newfoundland and Labrador as their home. In terms of image and how we are viewed in Canada, there was an overriding view that we are badly misunderstood though looked upon with affection. The determination of young students to improve this image was evident. What we heard was that they wanted to progress to higher levels of educational achievement, achieve success in the workplace and enjoy standards of living comparable with other parts of Canada. Without doubt, however, a most startling revelation for the Royal Commission was the almost unanimous view of young people that their opportunities for the future lay outside the fishery, outside rural Newfoundland and Labrador and, in many cases, outside their own province.

There was a sense that our young people's love of the province could be embraced by regular visits home but that their love of life would have to be fulfilled elsewhere. One student emphatically told us, **"We love home, but we have no choice but to leave."** This regretful lack of choice was a consistent message that the Commission received throughout our meetings with young students, a message which was confirmed in our meetings with women's groups and the public in general.

The level of understanding of our youth about their place in Canada can be described as encouraging. They did not hesitate to wade into issues such as custodial management, the state of the fishery, equalization or the joy of being part of a distinct society like Newfoundland and Labrador. Some of our most dramatic moments with students occurred during discussions regarding Churchill Falls where it was described variously as "a scam" or as "treachery". One student exclaimed in frustration, "it should have been ours". Whether they were in Labrador or on the Island, there was an understanding by the students that they were not just Newfoundlanders or Labradorians or even Canadians but young people whose opportunities were global.

PORT AU CHOIX

"Bedrock of Our Shared Future"

Aboriginal Concerns

The Commission heard from the Innu, Inuit, Labrador Metis and Mi'kmaq that Newfoundland and Labrador cannot effectively renew and strengthen its place in Canada without understanding, renewing and strengthening the relationships between the Province and aboriginal peoples. There was a sense expressed at our meetings that the Government of Canada wilfully ignored their responsibilities under the Canadian Constitution by not assuming jurisdiction for the administration and management of aboriginal affairs in Newfoundland and Labrador as they have done in every other province. Aboriginal peoples said that they were abandoned by the process leading to Confederation, and fifty-four years later they remain involved in a struggle to find their rightful place not only in Newfoundland and Labrador but in Canada.

Women in aboriginal communities told us that the voices and experiences of aboriginal women are not being given adequate consideration as land claims and economic development are being addressed. They spoke to us about the negative social impact of events such as the forced settlement of the Innu people in the 1950s and the forced resettlement of the Inuit people from Hebron and Nutak in the same time period. They expressed concerns that current approaches are not addressing their desires to protect their connections to the land, their family structures, their values and their culture.

In Nain we were told, **"The bedrock of our shared future** lies in very fundamental principles - principles such as respect, dignity, land rights, self determination, sharing and mutual support - which need to be applied in daily life within the Province and within Canada."

Entrepreneurial Drive

Business Visits

During our public consultation process, we visited businesses in all areas of the province to get a better sense of entrepreneurship, particularly in rural Newfoundland and Labrador. The business ventures were amazingly diverse and included primary and secondary processing of seafood, the production and marketing of wines from wild berries, the production of food products and syrups from wild berries, the manufacturing of windows, the

manufacturing of industrial gloves and boots, the quarrying of dimension stone, the industrial sawing and polishing of dimension stone, the manufacturing of cabinets, furniture and wood mouldings; the provision of eco-tourism services, the manufacturing of education software, the secondary processing of seal products, facilities associated with knowledge-based tourism, the production of fibreglass boats, the provision of aerospace services and the use of information technology by Smart Labrador.

The Commission was struck by the innovation of the entrepreneurs we visited. They told us about the entrepreneurial spirit and drive needed to overcome the challenges of establishing and maintaining businesses in rural settings. Based on what we heard, many business enterprises were hampered by the lack of high speed internet services in rural areas. The lack of entrepreneurial training in our educational system was seen to be an obstacle to be overcome in a highly competitive and knowledge-based economy. While we were given some examples of government assistance in beginning or sustaining these industries, we were also told by many entrepreneurs that government officials do not have a good understanding of the supports needed for the development of businesses in this province.

Our Place In Canada

"No Way to Run a Federation"

Throughout our public meetings, there was great affection expressed for Canada and great pride about being Canadian. Based on what we heard, Newfoundlanders and Labradorians are fully cognizant of the enormous contribution that Canada has made to the well-being of their province since Confederation. Expenditures on public infrastructure such as roads, schools and hospitals have resulted in tremendous social and economic progress. The ongoing services and programs to which all Canadians are entitled in terms of health care coverage, education, social services and employment insurance attest to the benefits of being part of a great country. Canada's significant economic development expenditures, including its large investment in Hibernia, have contributed to the general level of prosperity being experienced in our province today. Based on what we heard, therefore, we believe that Canada is perceived as being good for Newfoundland and Labrador. It was also clear that people understood that, without equalization, Newfoundland and Labrador would be in dire straits.

This pride in being a part of Canada, however, was tempered by the consistent feeling that there is a lack of respect, on the part of the federal government and other Canadians, for the

people of Newfoundland and Labrador and for the contributions they have made to Canada. People spoke to us, with both passion and frustration, about those contributions. In addition to making an incomplete nation whole with our geography, we have brought a wealth of human and natural resources to our country. There is a belief that we are viewed by many in Canada as forever taking from Confederation while giving very little back in return. In almost every public meeting, the Commission was asked to set the record straight. We heard that there is an urgent need to conduct a comprehensive and independent assessment of Newfoundland and Labrador's contribution to Canada as part of our research program.

We also heard that the federal government consistently ignores the interests and ideas of Newfoundland and Labrador on key issues. During the short period of our public consultations, three federal Ministers carried out actions that people pointed to as examples of the lack of respect paid to Newfoundland and Labrador:

- First, the federal Minister of Transport appointed four new members to the Board of Marine Atlantic. None were from Newfoundland and Labrador. That decision, and the gulf ferry service in general, became a lightning rod at our meetings for articulating inappropriate treatment at the hands of the Government of Canada.

- Second, the federal Minister of Fisheries and Oceans, without even the courtesy of briefing the Government of Newfoundland and Labrador, informed the Liberal Atlantic Caucus about a potential closure of the fishery which, if implemented, would have disastrous consequences for many parts of rural Newfoundland and Labrador. This, too, produced a blistering backlash within our province regarding the kind of callous treatment we receive on crucial issues respecting our future and our place in Canada.

- And, finally, the federal Minister of Industry proposed that offshore oil and gas revenues associated with developments in Nova Scotia and Newfoundland and Labrador should be set aside for the benefit of the entire Atlantic Region. The reaction in our own province was as swift as it was negative. We were told that it was incredible that revenues from our resources were seen, in the eyes of the Government of Canada, to be useful for purposes beyond helping Newfoundland and Labrador achieve some reasonable level of prosperity. As one person put it, **"This is no way to run a federation."**

Our public meetings told us that there is a sense we gave up our nationhood only to become just another part of Atlantic Canada. We are treated on a formula basis as 1.7% of the

population of Canada and as politically irrelevant with only seven seats in the House of Commons and six seats in the Senate. No one from this province has been appointed to the Supreme Court in fifty-four years. There were many suggestions for potential reform led by the articulation of the need for a "Triple E" Senate. Based on what we heard, there appears to be an undeniable sense that everywhere Newfoundland and Labrador turns within Confederation the odds are stacked against its achieving prosperity comparable with other provinces.

Fishery Calamity

One issue which arose consistently in all public meetings was a clear and deep understanding that the economy of rural Newfoundland and Labrador in the past, present and future depends on the fishery. Given the collapse of the groundfish in the late 1980s and the early 1990s and the lack of recovery since, participants told us that rural fishing communities remain in a state of crisis and severe agitation. The challenge presented by the continued decline in fish stocks has manifested itself in the demand for "custodial management". It was a meaningful way for participants in our meetings to send out a loud wake-up call that without some kind of plan for a recovery in the groundfish fishery, **there will be an even greater calamity in rural Newfoundland and Labrador in the next decade.** At our meeting in Marystown, we were told that people in the fishery had lost their spirit to fight and were simply scared about "who will be next". This comment was in reference to further groundfish quota reductions and the vulnerability of the crab and shrimp stocks to future decline.

At many of our meetings, there were references to the causes of the groundfish demise including (i) inadequate science, (ii) improved technology, (iii) too many processing licenses, (iv) too many harvesters, (v) too much reliance on the fishery as an employer of last resort, (vi) heavy reliance on the employment insurance program to sustain communities and people, (vii) too much political pressure to keep quotas high, (viii) relentless foreign over-fishing, (ix) lack of action on seal populations, and (x) a general reluctance to come to grips with the reality of the declining resource because of the unthinkable result. In other words, there is recognition of a collective responsibility for the loss of the fishery.

Notwithstanding this collective responsibility, however, we heard that with Confederation the Federal Government assumed responsibility for the overall management of the fishery. Five decades later, under their stewardship, that fishery has for all intents and purposes disappeared. We heard that it is time for the Government of Canada to take overall responsibility for what has happened in the fishery, responsibility for doing whatever is possible to bring about a recovery in the fishery, and responsibility for dealing with the fallout should that recovery not take place. People continually told us that, in our relationship with Canada and our overall progress as a

province since Confederation, there is no greater issue than the loss of the fishery and its impact on the fabric of our fishing society. Out-migration, dying communities, loss of a way of life, and loss of dignity in rural Newfoundland and Labrador were all articulated in our public meetings as part of the dynamic related to the mismanagement of the fishery by the Government of Canada.

Loss of Offshore Royalties

The sense that something is not quite right in the federation manifested itself in what we heard over and over again with respect to many issues but especially equalization, the Atlantic Accord, custodial management, and the Churchill River. With respect to equalization, the constant use of the term "clawback" reflected a general understanding that the equalization formula was not working as it could to the advantage of Newfoundland and Labrador. What we heard was that no matter how you look at it, the combined impact of the Government of Canada's interpretation of the Atlantic Accord and the workings of the equalization formula results in over 80% of offshore taxes and royalties going to the Government of Canada.

We heard it remains exasperating to Newfoundlanders and Labradorians that the very equalization formula which was set up to help provide public services at a level comparable to the rest of Canada is now being utilized to ensure that this cannot happen. We were also reminded that a recent Senate Committee Report calls for a change in arrangements with the offshore gas and oil producing provinces of Nova Scotia and Newfoundland and Labrador.

Churchill Falls Backlash

If there were expressions of frustration and in some cases outrage over the perverse impact of the Atlantic Accord and the equalization formula, there was an equally deep backlash over the historic inequities associated with the development of the Churchill Falls hydro-electric project. At most of our public meetings, the lost windfall profits from Churchill Falls, the total control exercised by Quebec over the Churchill River, the failure of the provincial government of the time to negotiate a better contract and, just as significantly, the role played by the Government of Canada in the original deal by denying a power corridor through Quebec, all emerged as significant issues. There is a sense that Ottawa has escaped any accountability for treating the transmission of oil and gas from Alberta in one way and electricity from Newfoundland and Labrador in another. There is also a strong feeling that, had the situation been reversed, Canada would never have allowed Newfoundland and Labrador to have exercised a geographic stranglehold over Quebec's hydro-electric resources.

In several meetings, we heard that Newfoundland and Labrador should pursue its constitutional rights under Section 92A of the *Constitution Act*, 1867 to access power and energy from Churchill Falls for industrial purposes in Labrador and on the Island. In a dramatic discussion with students in Port Saunders, one young woman described the Churchill Falls contract as "Quebecers mooching on Newfoundlanders." Another student, realizing that the contract would not expire until her fifty-eighth birthday, pleaded with the Royal Commission to "do something about this!"

Our Place In Our Place

Our Sense of Place

Much of what we heard during the course of our consultation process focused on "our place in our place" and not just our place in Canada. We were told that Newfoundlanders and Labradorians consider themselves blessed with a sense of place and a sense of belonging. They have a deep rooted feeling that their province is the best place in the world to live and raise a family. They care about community and value a lifestyle which balances work and time with family and friends. People of our province have a passionate appreciation of their cultural and artistic heritage, and they enjoy a strong sense of connection to the land and the sea. They believe that their fishing history is an integral part of their very being. It was clear to the Commission, based on what we heard, that the sense of attachment to this place remains remarkably strong.

The Urban - Rural Divide

We were told, however, that the loss of the fishery has had a profound and dramatic impact on the psyche of all Newfoundlanders and Labradorians. It also has resulted in a dramatic disparity between rural and urban areas. This disparity was the focus of much discussion in many of the areas visited by the Commission. We were reminded so often that there is a significant economic divide between the communities in and around the capital city of St. John's and elsewhere in the province. At the present time, about 45% of the people in Newfoundland and Labrador reside within an hour's drive from St. John's.

It was also made clear that headlines like "the rock is on a roll" or "Newfoundland and Labrador leads the nation in GDP growth" have little meaning to people in rural areas on the Island or in Labrador. Indeed, on the Great Northern Peninsula, with one of the highest levels of out-migration and unemployment, there was an attempt to have people boycott our public meetings in order to bring greater attention to the economic disparity between that region and the rest of the province.

During the course of our public consultation process, the fiscal challenges facing Newfoundland and Labrador were also highlighted. Based on what we heard, people understand that the Province is experiencing significant fiscal deficits and an ever increasing debt load. The relatively weak fiscal capacity of the Province reflected itself in the major concerns expressed about the state of health care, the education system and municipal infrastructure. We heard that population decline means both a weaker tax base and lower equalization payments.

Culture of Out-migration

As a Commission, we heard many first hand accounts related to the impact of out-migration. In the last decade, over 60,000 Newfoundlanders and Labradorians have gone elsewhere to seek employment opportunities. While out-migration from rural areas is a worldwide phenomenon, based on what we heard, it has had and will continue to have a disproportionate impact on this province.

Out-migration is found in many forms. In Newfoundland and Labrador, as elsewhere, it is primarily driven by the lack of employment opportunities and the need to move elsewhere to make a living and raise a family. From what we heard, there are also many youth who, heavily burdened with student debt, see opportunities to pay off that debt at a faster pace by out-migrating to other provinces where they can earn higher incomes and pay lower taxes. We heard that many men and women, sometimes with their families and sometimes without them, are leaving the province to work for extended periods of time elsewhere in Canada and that these forms of migrant work do not show up in economic statistics.

Given the manner in which our rural way of life, particularly in fishing communities, is such an incredibly rich and essential part of the fabric of our society, the message we received was that out-migration will be ignored at our peril. Based on what we heard, out-migration, low birth rates, low levels of rural services and high costs of rural transportation all present major challenges for the future of rural Newfoundland and Labrador.

In all of our school visits, it became extremely clear that our young students see their future careers outside rural Newfoundland and Labrador and, in many cases, outside their own province. Parents and teachers are encouraging youth to leave because of the lack of opportunities in their own communities. We were told that this environment was leading to a **culture of out-migration**. As one group put it in our public meeting in Clarenville, "What if we educate our youth and they leave? What if we do not educate our youth and they stay?" The Commission challenged with, " How do we educate our youth and create opportunities for them to stay?"

From what we heard, this whole process has been fast forwarded by the impact of the groundfish moratorium imposed in the early 1990s. The fishery, in particular, is no longer seen as a viable future employer for rural youth. Moreover, we were told that there is a "next wave" of out-migration which will escalate over the next decade as parents follow their children and grandchildren while maintaining their houses in Newfoundland and Labrador as vacation homes.

It is evident that Newfoundlanders and Labradorians always moved elsewhere to seek employment opportunities. Indeed, Fort McMurray, Alberta, was referred to in our public meetings as our province's second largest city because of the thousands of Newfoundlanders and Labradorians who have moved there and now call it home. The significant difference over the last decade is the dramatic decline in the birth rate which today is one of the lowest in North America. It is the combination of a high rate of out-migration and a low birth rate which has led to such a rapid population decline in recent years.

Undercurrent of Alienation in Labrador

There was a strongly held view that much remains to be done if Newfoundlanders and Labradorians are able to feel confident and comfortable in their own province. This kind of sentiment was frequently expressed in our public meetings throughout Labrador where 28,201 of the province's 521,200 people reside. To put it in the language of our public meetings, "Labrador feels as ignored by the Government in St. John's as Newfoundland and Labrador feels ignored by the Government in Ottawa." The views expressed reflected the concerns that unprocessed resources are being shipped out of Labrador. The power from Churchill Falls is being transmitted to Quebec to create industrial jobs in that province. Wood from the forests in Labrador is being harvested and exported to sustain industrial jobs in the paper industry on the Island. Iron ore mined in Labrador is creating industrial jobs in Quebec and Ontario. As one person told us, "The only railway in operation in our province today is the one taking iron ore from Labrador to Quebec."

We also heard that the high cost of transportation, the lack of good air services, the lack of completion of the trans-Labrador highway, the high cost of electricity, particularly on the coast of Labrador, and a general feeling of being unappreciated dominate Labrador's place in Newfoundland and Labrador. It was made extremely clear to the Commission, therefore, that there is a strong **undercurrent of alienation** in Labrador.

There were, of course, very encouraging signs for Labrador, including the prospects for employment associated with Voisey's Bay. We were told that the prospect of the development of the Lower Churchill was supported by the business community, albeit conditional on significant

power recall provisions for industrial and domestic purposes in Labrador. Many people were opposed to any further development of Churchill Falls based on environmental concerns. There were also many ideas proposed at our meetings for a fixed link from Labrador to the Island.

"We Seem To Have Lost Our Place"

Path to a Final Report

The Commission's mandate is to submit a final report by June 30, 2003. In this regard, our public consultation process has had a profound impact on our thinking. We were struck by the vast geography of the Island (111,390 km^2), Labrador (294,330 km^2), and our offshore waters (1,825,992 km^2); the magnificent beauty of the landscape, the richness and diversity of our cultures, the openness and warmth of the people, their attachment to their province and country, and their passion and determination to make their place in this land a better one for their children and grandchildren.

We heard a strong sentiment expressed that Newfoundland and Labrador has been struggling through the severe impact of (i) the unbearable loss of its fishery resource and the unfolding demise of its rural fishing society, (ii) the highest rates of unemployment and out-migration and the lowest birth rate in the country, (iii) the weakened state of its provincial finances, (iv) the perverse inability to utilize its own oil revenues for its own economic prosperity, (v) the extraordinary annual losses of windfall profits to Quebec from its Churchill Falls hydro-electric resource, and (vi) the failure of the federal government to treat the province as an equal partner in Confederation.

If this struggle could be summarized in a single phrase, it is perhaps that, after fifty-four years, **"we seem to have lost our place in Confederation."** Some people told us we have never found it. There were strong feelings expressed that the federal government views Newfoundland and Labrador as part of the Atlantic region and no longer as the equal partner which joined Canada in 1949. Based on what we heard, there is a sense of uneasiness that the bureaucratic and political process in Ottawa has a strong bias towards diminishing the role of provinces.

We heard also that there are troublesome questions being raised by Newfoundlanders and Labradorians about Canada's place in their province. Do other Canadians understand what is happening in this province and the implications for its future? Does the federal government have a vision for its role in the future of Newfoundland and Labrador? Do our partners in the federation understand the significance of the disconnect between the resource richness that the Dominion of

Newfoundland brought into Confederation in 1949 and its relatively weak economic position as a province in Canada today?

During the course of our meetings, there were many angry references to separation as well as reminders of the processes outlined in the *Clarity Act*. The overwhelming sentiment, however, was in favour of trying to make things better within Canada. Nevertheless, we were told that what is happening in our province, after fifty-four years in Confederation, needs serious attention if we are to attain dignity as a people and prosperity as an equal and respected partner in Confederation. In other words, we were told that the status quo is not an option. Something has to change!

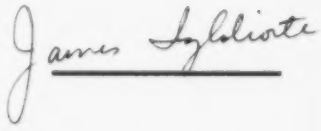
The challenge facing the Commission as we travel the path towards our final report is to integrate all of what we heard with the input from our roundtables, research, written submissions and discussions with government officials. As we develop our findings and recommendations, we will keep in mind the view expressed at our meeting in Marystown where one participant implored us to take chances in our report, make it radical by our standards, and put it in the face of criticism so it is not just "a small voice in the crowd". We will also be guided by the many expressions we heard that, as Newfoundlanders and Labradorians, **"we must take our own destiny into our own hands."**

Vic Young

Chair

Elizabeth Davis

Commissioner



James Igloliorte

Commissioner

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